

Company Registration No. 07400386 (England and Wales)

**UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY
TRUST)**

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018



UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mike Parish
Lesley Birch
Paul Marshall
Tim Elbourne

Directors

Paul Reed
Gordon Jones
Ian Jacobs
Dr Tim Coulson (Accounting Officer)
Mike Parish (Chair of Trust Board)
Roger Quince (Chair of Audit Committee)
John Smith (Chair of Remuneration Committee)
Dean Sykes

Executive leadership team

- Chief Executive Officer	Dr Tim Coulson
- Director of Education (Primary)	Darren Woodward
- Director of Education (Primary)	Stephen Astley (appointed 1 September 2018)
- Director of Education (Secondary)	Rosemary Prince
- Director of Operations	Debbie Willson
- Director of the Teaching School & Director of the Research School	Andy Samways
- Trust Secretary	Lisa Taylor
- Director of Finance and HR	Sarah Garner
- Head of Finance	Trish Townsend

Company registration number

07400386 (England and Wales)

Registered office

Unity Schools Partnership
Park Road
Haverhill
Suffolk
CB9 7YD

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated	Location	Headteacher
Abbots Green Primary School	Bury St Edmunds	A Morrison
Burton End Primary Academy	Haverhill	K Sheargold
Castle Manor Academy	Haverhill	V Whitcombe
Churchill Special Free School	Haverhill	G Ellis
Clements Primary Academy	Haverhill	V Hogg
Coupals Primary Academy	Haverhill	M Hughes (Interim)
Ditton Lodge Primary School	Newmarket	M Moore
Glemsford Primary Academy	Sudbury	B Jeffery
Houldsworth Valley Primary Academy	Newmarket	L Tweed
Kedington Primary Academy	Kedington	S Gallacher (Interim)
Laureate Community Academy	Newmarket	D Perkins
Newmarket Academy	Newmarket	N Froy
Place Farm Primary Academy	Haverhill	J Sendall
Samuel Ward Academy	Haverhill	A Hunter
St Edward's Church of England Academy	Romford	J Hassan
Steeple Bumpstead Primary School	Steeple Bumpstead	M Nicholls
Sybil Andrews Academy	Bury St Edmunds	T King
Thomas Gainsborough School	Great Comard	W Lloyd
Wells Hall Primary School	Great Comard	J Cleaver
Westfield Primary Academy	Haverhill	D Maguire (Interim)
Wickhambrook Primary Academy	Wickhambrook	R Towns
Woodhall Primary School	Sudbury	M Fuller
Independent auditor	RSM UK Audit LLP Abbotsgate House Hollow Road Bury St Edmunds Suffolk IP32 7FA	
Bankers	Lloyds Bank plc 8 High Street Haverhill Suffolk CB9 8BA	
Solicitors	Stone King LLP Wellington House East Road Cambridge CB1 1BH	

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

DIRECTORS' REPORT

The Directors present their annual report together with the financial statements and auditor's report of the Charitable Company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust is responsible for a special free school, fifteen primary academies and six secondary academies predominantly in Suffolk, but now also including schools in Cambridgeshire, Essex and the London Borough of Havering, with the aim of developing local clusters of interdependent, self-sustaining outstanding schools that develop:

- Successful learners;
- Confident individuals; and
- Responsible citizens.

Its academies have a combined pupil roll of approximately 10,240 as at 31 August 2018. Each individual school works closely with the Local Authority to establish its own admissions criteria. Primarily, admissions for our Trust schools look at siblings already within the school, catchment areas and transport links and any specific pupil needs as being the prioritisation of admissions.

The Trust was originally established in the heart of West Suffolk, it quickly grew to having four hub areas in Haverhill, Newmarket, Sudbury and Bury St Edmunds. In the last year the Trust has broadened its reach into East London with its first Church of England Academy in Romford. Future expansion is looking at growing each of the hubs yet further in order to maximise capacity and expertise in key areas, but also to widen the landscape into other parts of Suffolk, Essex and Cambridge.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

Unity Schools Partnership (formerly Samuel Ward Academy Trust) was incorporated on 7 October 2010 and became a Multi-Academy Trust on 9 August 2013. At this time, it comprised of Samuel Ward Academy and Churchill Special Free School. Over the last five years the Trust has continued to grow. Three further schools were added to the Trust during 2017/18 – these were Abbots Green Primary, Steeple Bumpstead Primary and St Edwards Church of England School & Sixth Form College (a secondary school), all three converted on 1 April 2018.

The Directors are the trustees of Unity Schools Partnership (formerly Samuel Ward Academy Trust) and are also the directors of the Charitable Company for the purposes of company law. Details of the Directors who served during the year, and to the date these financial statements are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Directors' indemnities

The Directors are Directors of the Charitable Company for the purpose of the Companies Act 2006 and Trustees for the purpose of charity legislation.

Directors of the company are covered by the Education and Skills Funding Agency Risk Protection Arrangements under their directors' indemnity policy.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

DIRECTORS' REPORT (CONTINUED)

Method of recruitment and appointment or election of Directors

The management of the Academy Trust is the responsibility of the Directors who are elected and co-opted under the terms of the articles of association. The members can appoint up to 11 Directors through such a process as they may determine.

Directors are subject to retirement after a term of 4 years. After the term they are eligible for re-election at the meeting at which they retire.

The make-up of the board includes experienced professionals who have a good understanding of the operational and legal requirements of running an establishment such as Unity Schools Partnership.

Policies and procedures adopted for the induction and training of Directors

Directors have developed a scheme of delegation and training has been provided for all Directors. Informal induction procedures are presently in place, with new Directors attending meetings with the Executive Leadership Team and visiting Trust schools. For 2018/19 the induction process will be enhanced with additional CPD sessions with an external education professional. Additional training has been provided by the Academy Trust, and external providers including Suffolk County Council. The Trust is also seeking to secure further expertise to Directors from educational professionals and experts in 2018/19.

Organisational structure

Unity Schools Partnership has established a unified structure to enable its efficient running. The structure consists of three levels: The Board along with its Audit Committee and Remuneration Committee; the Executive Management Team, and Local Governing Bodies at each individual academy. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Board of Directors is responsible for making major decisions about the strategic direction of the Trust, ensuring that its aims are met, and its ethos is maintained. Specifically, this includes setting general policy, adopting an annual plan and budget, monitoring the Trust's financial performance and educational outcomes, making senior staff appointments and approving major investment programmes.

Each Academy will also have a Senior Leadership Team consisting of the senior management at each Academy. These teams are responsible for the day to day operation of the academies, organising the teaching staff, curriculum, facilities and students.

The Local Governing Bodies are made up of a mix of local people including staff, parents and central trust nominees. They act as a 'critical friend' to the Principal and Academy, a 'sounding' board at a local level and to ensure that Unity Schools Partnership values remain at the heart of the academy community. The Trust has a governance adviser to support the work of the local governing bodies.

The Chair of the Board and the Chief Executive Officer meet and share information with the Local Governing Bodies on a regular basis. Furthermore, members of the Executive Leadership Team regularly attend Local Governing Body meetings and sub committees.

Each layer of the organisation is structured according to a set of terms of reference with associated delegation of authority for all decision-making matters. The Board meets regularly throughout the academic year through a series of structured and systematic meetings.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

DIRECTORS' REPORT (CONTINUED)

Arrangements for setting pay and remuneration of key management personnel

Unity Schools Partnership has its own Remuneration Committee who meet on a regular basis to discuss matters relating to the setting of pay and remuneration of the Executive Leadership Team. Where appropriate this committee will also review any settlement agreements prior to Board approval.

The Remuneration Committee also review all recommendations for pay increments for the Executive Leadership Team.

Key Management Personnel salaries are set in accordance with the Trust's pay policy. The Trust's pay scales are set in accordance with the National Teaching and Support staff pay scales. These are reviewed annually in line with other Trusts.

Trade Union facility time

Unity Schools Partnership subscribe to the Trade Union Facility service provided by the JCNC (Joint Consultative and Negotiating Committee). This is a service provided by lay officers from the Union who are teachers and can therefore provide relevant, appropriate and robust support to staff.

There are two official Union representatives, based at schools within the Trust. It is estimated that they spend between 10-15% of their time during term time on Union related matters. In total this amounts to approximately £4,800 per annum.

Related parties and co-operation with other organisations

The Academy Trust operates under the Seven Principles of Public Life, known as the Nolan Principles. These are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

These principles are reflected in the way we declare and deal with related party transactions so that we are operating fairly, transparently and we are open to scrutiny. Potential for conflict of interest arises when an individual could gain, or be perceived to gain, from an aspect of the Academy Trust business. All potential conflicts of interest and pecuniary interests are declared at the start of each meeting. All purchasing decisions made by the Academy Trust follow the same procurement and/or commissioning procedures. Any business links with Directorss or other Trust Officers have been made in accordance with these procedures.

The Trust Board is confident that conflict of interest is handled according to the Seven Principles of Public Life and in accordance with The Academies Financial Handbook.

The Trust is part of a broader group of schools called Suffolk Borders Teaching Alliance, a teaching school that works with not only schools in the Trust but other local schools. The Teaching School works closely with the other Teaching Schools across Suffolk. This has led to the accreditation of the Unity Research School, which has a responsibility to promote evidence informed practice in a wide range of schools that includes the Trust but much wider too. The objectives of the Teaching School and Research School are to support schools through research and development and initial teacher training (ITT), provide continuous professional development (CPD), peer to peer support, school to school support, talent and succession planning.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

DIRECTORS' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

Objects and aims

Our objective for 2023 is to achieve "Results Plus" in all schools. This will be achieved as follows:

- All schools currently in the Trust are judged at least good at inspection and 50% are judged outstanding.
- The Trust is amongst the highest performing Trusts nationally for attainment of disadvantaged pupils.
- Children and young people are equipped for life.
- The Trust has enabled teachers to be free to attend to what matters for children and young people as well achieving great results.
- Staff are delighted to work in the Trust.
- The Trust has a leading voice in the development of education policy nationally.
- Income streams have been developed beyond Government funding.

Strategy

It aims to achieve these objectives through:

- Recruiting, developing and retaining the best people for all its roles across the trust (leadership and development programme).
- Capturing the most effective practices and implementing these in all schools (school improvement programme).
- Developing a strong performance culture that looks to improve on previous best (performance programme).
- Changing the resource model of schooling with both new income streams and more efficient use of resources (resource programme).

Public benefit

The Directors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. The Directors consider that the Academy Trust's aims and the activities undertaken to achieve them are demonstrably to the public benefit.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

DIRECTORS' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

Our growth strategy has led to an additional three schools joining the Trust during 2017/18 and more joining next year. We have been successful in realising our aim of building four clusters of schools in the four large towns of west Suffolk. The additional schools have enabled us to increase Trust capacity and have improved transition between primary and secondary tiers.

We have made strong progress in improving educational standards across our schools. Reviews suggest that all have made significant improvements reflected in the academic outcomes in the Summer of 2018 which were very strong in all schools.

The learning environments of many of our schools have improved as the result of investment by the Trust through our own capital monies or through external bids.

The Trust is now in the position to play an increasingly strategic regional role. We have developed strong links with community leaders, trusts and councils across the Eastern region which is informing educational strategy, improving communications, and building capacity. We are committed to supporting the DfE, the Office of the Regional Schools Commissioner and Suffolk County Council in their strategic focus of educational improvement in the East and have positive relationships with all of them.

The Trust had a very successful year meeting most of its performance targets:

Successful Learners

At secondary level KS4 results continued to improve. For the key English and Maths measure the percentage of pupils achieving this at 4+ increased from 59% to 66%, at 5+ this increased from 36% to 42% and at 7+ this increased from 6% to 10%. Our Progress 8 remains well above the national average.

Primary schools that have been with the Trust for over three years continue to make good progress with their combined efforts leading to all three progress measures for Reading, Writing and Maths being above zero. Their combined attainment also matched the national attainment picture. These three schools were very low achieving on entry to the Trust. Primaries that have been with the trust for over two years have an improving picture with attainment and progress at or around the national picture and expectations for 2019 that would be above national. The remaining primaries have been with the Trust for between 6 months and 18 months, some from very low starting points and the combined attainment broadly shows that the Trust's progress is close to zero in all measures and attainment is a little below the national picture. Progress for disadvantaged pupils remains a key focal area, though showed a good level of improvement from Summer 2017 to Summer 2018.

Confident Individuals

Attendance for the Trust as a whole is close to the national picture and will be a significant focus for the Trust in 2018-19. It has increased from an average of 95% to 97% amongst pupils, compared to a national average of 95.7% for 2017/18. We have schools that had attendance well above national, as well as below national, in both secondary and primary schools and we fully expect to move this figure to above national in 2018/19.

Responsible Citizens

Trust schools have been successful in developing a stronger sense of independence for pupils. Improvements have been most significant in St Edward's Church of England Academy where pupils are showing far greater pride in their community, but all schools have engaged more positively with a values-based approach.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

DIRECTORS' REPORT (CONTINUED)

Financial review

Most of the Academy Trust's income is obtained from the Education Skills & Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to educational purposes. These grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2018, total expenditure of £52,653k (which excludes transfers from local authority on conversion) exceeded total income of £51,522k (which excludes transfers from the local authority on conversion and existing academies). The excess of income over expenditure for the year before transfers, pension fund movements, restricted fixed asset movements, and transfers from the local authority and existing academies was £3,034k, represented by an increase in restricted general funds of £2,042k and an increase in unrestricted funds of £992k. The impact of transfers on these funds gives a decrease in restricted general funds of £894k, and an increase in the restricted general fund of £2,664k.

At 31 August 2018 the net book value of fixed assets was £163,108k. Movements in intangible fixed assets are shown in note 14 and tangible assets in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The cash position within the Trust was at times slightly tighter in 2017/18 than we would have liked, however the position has been significantly strengthened over the summer and leading into 2018/19. This has been the result of a variety of actions: a more robust approach to cost savings and value for money propositions through more effective procurement; a review of the capital spend programme in line with cash flow forecasts to ensure that all projects are affordable in the relevant timescales and some significant donations particularly at Newmarket relating to specific capital and renovation projects.

Assets of £29,762k were acquired during the year ended 31 August 2018, of which £8,977k was gifted from the Local Authority on transfer into the Trust, £17,936k was received on transfer from an existing Academy Trust, and the remaining £2,849k was financed from unrestricted funds, GAG, capital funding and other restricted income.

In accordance with FRS 102, the Trust received an actuarial assessment of its pension scheme deficit. The deficit balance of £9,369k is included within the balance sheet as at 31 August 2018 and details are included within note 28.

Though the pension scheme represents a significant liability on the balance sheet, it does not present a significant issue for the Trust in respect of cash flow, as it will not crystallise at once. Contributions for the coming year are the primary factor for the Trust when considering the impact that the liability has on cash flow, and these have been appropriately reflected within forecasts and will be settled on a timely basis.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

DIRECTORS' REPORT (CONTINUED)

Financial and risk management objectives and policies

The Directors have assessed the major risks to which the Academy Trust is exposed and specific risks are identified relating to the teaching, safeguarding, provision of facilities and other operational areas of the Academy Trust and its finances.

The Directors have implemented a number of systems to assess risks that the Academy Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the controls in order to minimise risk.

The Directors and the Executive Leadership Team undertake its responsibilities towards safeguarding, very seriously and ensure that all staff receive regular, appropriate and relevant safeguarding training. The Trust have appointed a Safeguarding Lead for the Trust and ensure that Safer Recruitment trained individuals are involved in the appointment of all staff.

Furthermore, the Trust have taken positive action this year to ensure that all staff are aware of the Whistleblowing policy and how to invoke it should they feel the need to.

Where significant financial risk still remains, the Trust have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Effective risk management provides the Board of Directors with assurance that:

- The financial responsibilities of the Board are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained; and
- financial considerations are fully taken into account in reaching decisions.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period. As a Trust, the level of financial risk mainly occurs around certainty of year on year funding, cash flow and the actuarial assessed pension fund deficit. The Academy Trust recognises the need to monitor the impact of cash flow and will project cash flow based on cash inflows and outflows at the start of the year and review the bank balance throughout the year. Future budgets will be monitored in line with staffing levels/costs and follow benchmarking guidelines as set out by the ESFA.

There is a deficit in the pension scheme of £9,369k as disclosed in note 28. The Secretary of State has agreed that in the event of the Trust closing, the Local Government Pension Scheme liabilities would be met by the Department for Education.

Reserves policy

The Directors have determined that a level of funds retained should be at least equivalent to one month's total salary commitment to enable the Academy Trust to react to budget changes within a manageable period without the use of cash flow advances from the ESFA. One month's salary commitment for August 2018 was £3.4m.

The total of restricted general funds before pension reserve and unrestricted funds (and therefore free reserves given the recurrent nature of restricted general funds with an Academy Trust) held at 31 August 2018 was a deficit of £1,154k which was significantly below the salary monthly commitment.

The Board are aware that free reserves are not at target, and this has been addressed during the budgeting process for 2018/19. All schools have been targeted to include a 2% reserve within their local budgets this year to address this. It is recognised that this will take more than one year to resolve.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

DIRECTORS' REPORT (CONTINUED)

Investment policy

The Trust is committed to continue to invest in its strategic aims to enhance the experiences of young individuals by ensuring that they are all safe, receiving the best education possible and that they become confident and considerate individuals.

Furthermore, the Trust prides itself on investing in the continuous professional development of its staff, offering them a wider range of opportunities to meet their career aspirations and pushing the boundaries to help them to achieve the best for their students.

In terms of its infrastructure, the Trust will continue to invest in its assets, to build, maintain and develop conducive learning environments and central places for the community to be proud of.

Key performance indicators

During 2017-18, four schools were inspected. Thomas Gainsborough School was judged good with outstanding features, up from the previous requires improvement judgement prior to joining the trust. Coupals Primary Academy and Glemsford Primary Academy were both judged good, up from the previous inadequate judgements prior to joining the Trust. Burton End Primary Academy was judged to require improvement, having joined the Trust from a different Trust nine months earlier.

The Trust monitors various key performance indicators on a regular basis. These include financial elements, looking at variances to set budgets, percentage of staffing costs against income, percentage of premises related costs to income, cost of teaching per student and the cost of putting on each lesson (for secondary schools). Furthermore, from a teaching and learning perspective, all schools monitor the progress of students, outcomes of results whether that be SATS, GCSEs or A Levels. All schools also manage a variety of other performance outcomes based on the various educational practices undertaken within the school.

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Plans for future periods

The Trust will continue to focus on improving the education of the children it is responsible for by further improving achievement, teaching and learning and leadership. Its expectation is that all its schools will be at least good in Ofsted terms by 2023. It will focus on improving the quality of teaching in Key Stage 2, especially in Maths, on the development of writing across our primary schools and the new GCSE specifications at GCSE level. Middle leadership, governance and outcomes for disadvantaged pupils across all schools remain a high priority.

The Board and the Executive Leadership Team are working effectively with school leadership teams and Local Governing Bodies, but over the next year the Trust will continue to develop its infrastructure and centralised services and policies in order to support continued growth.

We will work with the Local Authority, the Regional Schools' Commissioner, the Department of Education and other Single Academy Trusts and Multi Academy Trusts to identify potential schools to join the Trust that fit with our criteria for growth.

We will continue to enhance our back-office functions to offer academies the benefits of economies of scale and improved more efficient levels of service.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

DIRECTORS' REPORT (CONTINUED)

EMPLOYEE CONSULTATION AND DISABLED EMPLOYEES

In accordance with the Trust's Disability Equality Policy:

- The Local Governing Bodies and Headteacher in discussion with disabled staff will endeavour to provide any aids and support that would help them to fulfil their role in the Academy.
- Disabled members of staff will be offered the same conditions of service, employment rights, promotion and training opportunities as other staff in the same roles in each Academy.
- Disabled staff are encouraged to bring any complaints about their treatment as disabled staff to the notice of the Headteacher in the first instance. All staff may use the Academy's grievance procedure if they consider this to be the best route.

Unity Schools Partnership are committed to being an Equal Opportunities Employer.

Communications within the Trust are generally managed through a cascade process. The Chief Executive Officer and Executive Leadership Team meet regularly with the Headteachers in all schools to share information, ideas, policies and consult with them on new initiatives. Headteachers then cascade this information through the relevant staff and departmental meetings. The Trust are looking proactively at ways of improving this in 2018/19 with the use of technology and broader communications channels.

AUDITOR

RSM UK Audit LLP was appointed auditor to the charitable company. RSM UK Audit LLP as indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

The Directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Directors' report is approved by order of the Board of Directors and the Strategic report (included therein) is approved by the Board of Directors in their capacity as the Directors at a meeting on 12.12.18 and signed on its behalf by:



Mike Parish
Chair of Trust Board

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

GOVERNANCE STATEMENT

Scope of responsibility

As Directors we acknowledge we have overall responsibility for ensuring that Unity Schools Partnership (Formerly Samuel Ward Academy Trust) has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Unity Schools Partnership (Formerly Samuel Ward Academy Trust) and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' report and in the statement of Directors' responsibilities. The Board of Directors has formally met 5 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Directors	Meetings attended	Out of possible
Paul Reed	1	5
Gordon Jones	4	5
Ian Jacobs	5	5
Dr Tim Coulson (Accounting Officer)	5	5
Mike Parish (Chair of Trust Board)	5	5
Roger Quince (Chair of Audit Committee)	4	4
John Smith (Chair of Remuneration Committee)	2	4
Dean Sykes	4	4

The Trust Board has changed significantly in the last 18 months, this has been predominantly through natural turnover following the change in the Chief Executive Officer and the Executive Leadership Team. The refreshed Board is robust, strong and effective, with a collective mix of skills and career experiences.

The Trust Board are all relatively new to the education sector and are therefore still very much learning and developing in their roles. Despite this, the Board are strong and robust and bring good challenge and vigour to the Executive Leadership Team. All Board members bring unique and relevant business skills offering support, advice and guidance when required as well as ensuring that the Trust considers commercial aspects whilst remaining compliant and safe.

Governance reviews

There were no specific Governance reviews conducted in 2017/18.

The Trust appointed a Senior Governance Officer in September 2018 to address this shortfall and will conclude various Governance reviews over the coming year.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

GOVERNANCE STATEMENT (CONTINUED)

The audit committee is a sub-committee of the main Board of Directors. The terms of reference for the Audit Committee are:

- to monitor the integrity of the Financial Statements of the Trust and any formal announcements relating to the Trust's financial performance, reviewing significant financial reporting judgements contained in them;
- to review the Trust's internal financial controls and the internal control and risk management systems;
- to monitor and review the effectiveness of the Trust's internal audit function;
- to make recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- to report to the Board on how it has discharged its responsibilities.

Attendance at meetings in the year was as follows:

Directors	Meetings attended	Out of possible
Paul Reed	0	3
Gordon Jones	2	3
Ian Jacobs	2	3
Roger Quince (Chair of Audit Committee)	3	3
Sarah Garner (Executive)	3	3

Review of value for money

As Accounting Officer the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- long term contracts being regularly reviewed and compared against other providers, in order to achieve the best price without compromising quality;
- reviewing the audit provision with a full tender process which resulted in a better and more robust service being secured;
- using economies of scale available as a Multi-Academy Trust with purchases of print, broadband and IT equipment, for example;
- undertaking a review of external services we are currently purchasing to look at opportunities to provide services internally and therefore save money as well as provide a more effective service e.g. payroll and contract management.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Unity Schools Partnership (Formerly Samuel Ward Academy Trust) for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- regular reviews by the Trust Finance Director, the Board and Local Governing Bodies of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Directors have procured the Internal Audit Service from Schools' Choice. On a quarterly basis Schools' Choice will undertake an independent review of the financial systems and provide a written report providing feedback on how the Academy Trust's financial affairs are being discharged. The Trusts Finance Director will present this report to the Audit Committee.

Whilst Internal Audit Services have been procured from Schools Choice for 2017/18, they were unable to fulfil this contract and provide any reviews during the year. In order to avoid this happening in 2018/19 the Trust have already set dates for reviews to be carried out during the Spring and Summer terms of 2019.

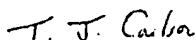
Review of effectiveness

As Accounting Officer the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the Executive Leadership Team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Directors on 12.12.18 and signed on its behalf by:



Dr Tim Coulson
Accounting Officer



Mike Parish
Chair of Trust Board

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)


STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Unity Schools Partnership (formerly Samuel Ward Academy Trust) I have considered my responsibility to notify the Academy Trust Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust's Board of Directors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's Funding Agreement and the Academies Financial Handbook 2017.

I confirm that no instances of material irregularity, Impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Directors and ESFA.

Dr Tim Coulson
Accounting Officer



12.12.18

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (who also act as trustees for Unity Schools Partnership (formerly Samuel Ward Academy Trust)) are responsible for preparing the Directors' report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Directors on 12.12.18 and signed on its behalf by:



Mike Parish
Chair of Trust Board

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

Opinion

We have audited the financial statements of Unity Schools Partnership (formerly Samuel Ward Academy Trust) (the "charitable company") for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report which includes the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Directors' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST) (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 16, the directors, who also act as trustees for the charitable activities of Unity Schools Partnership (formerly Samuel Ward Academy Trust), are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Claire Sutherland (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Abbotsgate House

Hollow Road

Bury St Edmunds

Suffolk, IP32 7FA

21 December 2018

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

		Unrestricted Funds	Restricted General Funds	Restricted Fixed asset Funds	Total 2018	Total 2017
	Notes	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and capital grants	4	125	120	3,400	3,645	1,630
Donations - transfer from local authority on conversion	31	12	(757)	8,977	8,232	40,248
Donations - transfer of existing academy into the trust	32	478	(2,051)	17,936	16,363	18,125
Charitable activities:						
- Funding for educational operations	5	2,057	44,219	-	46,276	35,161
- Funding for teaching school	5,33	-	137	-	137	80
Other trading activities	6	1,183	46	-	1,229	1,016
Investments	7	2	-	-	2	2
Other income		-	-	233	233	-
Total		3,857	41,714	30,546	76,117	96,262
Expenditure on:						
Raising funds	8	193	8	-	201	1,453
Charitable activities:						
- Educational operations	9	2,672	46,818	2,571	52,061	39,130
- Teaching School		-	243	-	243	-
Charitable expenditure - transfer from local authority on conversion	31	-	130	18	148	-
Total		2,865	47,199	2,589	52,653	40,583
Net income/(expenditure)		992	(5,485)	27,957	23,464	55,679
Transfers between funds	22	(1,886)	622	1,264	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	28	-	2,797	-	2,797	4,199
Net movement in funds		(894)	(2,066)	29,221	26,261	59,878
Reconciliation of funds						
Total funds brought forward		2,606	(10,169)	135,710	128,147	68,269
Total funds carried forward		1,712	(12,235)	164,931	154,408	128,147

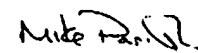
UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

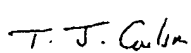
BALANCE SHEET

AS AT 31 AUGUST 2018

		2018		2017	
	Notes	£000	£000	£000	£000
Fixed assets					
Intangible assets	14		150		172
Tangible assets	15		162,958		135,742
			<u>163,108</u>		<u>135,914</u>
Current assets					
Stocks	16	79		120	
Debtors	17	4,224		2,549	
Cash at bank and in hand		2,397		1,555	
		<u>6,700</u>		<u>4,224</u>	
Current liabilities					
Creditors: amounts falling due within one year	18	(5,811)		(4,228)	
Net current assets/(liabilities)			<u>889</u>		<u>(4)</u>
Total assets less current liabilities			<u>163,997</u>		<u>135,910</u>
Creditors: amounts falling due after more than one year	19		(220)		(186)
Net assets excluding pension liability			<u>163,777</u>		<u>135,724</u>
Defined benefit pension scheme liability	28		(9,369)		(7,577)
Net assets			<u>154,408</u>		<u>128,147</u>
Funds of the Academy Trust:					
Restricted funds	22				
- Restricted fixed asset funds			164,931		135,710
- Restricted income funds			(2,866)		(2,592)
- Pension reserve			(9,369)		(7,577)
Total restricted funds			<u>152,696</u>		<u>125,541</u>
Unrestricted income funds	22		<u>1,712</u>		<u>2,606</u>
Total funds			<u>154,408</u>		<u>128,147</u>

The financial statements on pages 19 to 61 were approved by the Board of Directors and authorised for issue on 12.12.18 and are signed on their behalf by:


Mike Parish
Chair of Trust Board


Dr Tim Coulson
Accounting Officer

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

STATEMENT OF CASH FLOWS **FOR THE YEAR ENDED 31 AUGUST 2018**

		2018	2017
	Notes	£000	£000
Cash flows from operating activities			
Net cash used in operating activities	26	(934)	(107)
		<u>(934)</u>	<u>(107)</u>
Cash flows from investing activities			
Cash funds transferred on conversion		515	1,446
Interest received		2	2
Capital grants from DfE Group		1,506	-
Capital funding received from sponsors and others		1,894	1,507
Purchase of intangible fixed assets		(38)	(92)
Purchase of tangible fixed assets		(2,395)	(1,519)
Proceeds from sale of tangible fixed assets		233	-
		<u>1,717</u>	<u>1,344</u>
Cash flows from financing activities			
New other loan		120	28
Repayment of other loan		(61)	(27)
		<u>59</u>	<u>1</u>
Net increase in cash and cash equivalents in the reporting period		<u>842</u>	<u>1,238</u>
Cash and cash equivalents at beginning of the year		1,555	317
Cash and cash equivalents at end of the year		<u><u>2,397</u></u>	<u><u>1,555</u></u>

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

General information

Unity Schools Partnership (formerly Samuel Ward Academy Trust) is a charitable company (the Academy Trust). The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Directors' Report.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the Academy Trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

The Directors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Directors believe the going concern basis adopted in preparing the financial statements is appropriate because:

- the reasons for tight cash flow for some schools within the academy trust is partly due to lagged funding. The academies are having to bear the costs of higher pupil numbers and staffing without having the associated funding until the following academic year. Schools within the academy trust are in consultation to reduce expenditure to bring it into line with income;
- some schools within the academy trust are oversubscribed and therefore there is little risk currently that pupil numbers will drop;
- cash levels and performance against budget are closely monitored ensuring that any issues or shortfalls can be quickly and efficiently remedied. It is considered that cash levels within the Trust are sufficient to meet the needs of the organisation.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Transfer from local authority on conversion

The conversion from a state maintained school into an Academy Trust involves the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Steeple Bumpstead Primary School and Abbots Green Community Primary School to the Academy Trust have been included at their fair value. The fair value has been derived based on that of equivalent items. The fair value of land and buildings included has been derived based on depreciated replacement cost data provided by the local authority. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 31.

Transfer of existing academies into the academy trust

The transfer of one school into the Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The net assets transferred from St Edward's Church of England School and Sixth Form College to the Academy Trust have been valued at their fair values. The fair value has been derived based on that of equivalent items and further details on the value attributed to land and buildings are included in note 15. The amount has been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer to the academy trust in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 32.

Income

All income is recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Other income

Other income, including the hire of facilities, is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the Academy Trust's educational operations to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	20%
-----------------------------	-----

Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the Statement of Financial Activities as incurred.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold property	2%
Leasehold property	2%
Computer equipment	20%
Fixtures, fittings, plant and machinery	10 - 20%

Assets in the course of construction are included at cost less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Financial instruments

The Academy Trust has adopted Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs). A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Stock

Unsold uniforms, textbooks and catering stocks are valued at the lower of cost and estimated selling price less costs to complete and sell.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit credit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date. The amounts charged to net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Directors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the DfE Group, as well as other third parties.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

The Academy Trust is also acting as an agent to distribute a one-off amount from the Combined Cadet Force Association. These funds are being held on behalf of the cadets and will be drawn down by the cadets from the academy trust. These funds have been excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds.

The funds received and paid and any balances held are disclosed in note 30.

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Local Government Pension Scheme defined benefit liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Church school land and buildings

On transfer of St Edward's Church of England Academy into the Trust, a value was required to be attributed to the land and buildings occupied by the School, as it was considered that the substance of the arrangements relating to occupation of the site equate to ownership. As no previous valuations had been performed on the site, a Directors' valuation was used, based upon an existing School within the Trust with a comparable PAN, and reflecting the location of the transferring site. Though assumptions have been applied, it is not considered that the resulting value reflected within these financial statements would result in a material difference from the transferring value of the site.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

3 Comparative year information

Year ended 31 August 2017	Unrestricted Funds	Restricted General Funds	Restricted Fixed asset Funds	Total 2017
	£000	£000	£000	£000
Income and endowments from:				
Donations and capital grants	123	-	1,507	1,630
Donations - transfer from local authority on conversion	608	(2,758)	42,398	40,248
Donations - transfer of existing academy into the trust	375	(1,264)	19,014	18,125
Charitable activities:				
- Funding for educational operations	1,785	33,376	-	35,161
- Funding for teaching school	-	80	-	80
Other trading activities	880	136	-	1,016
Investments	2	-	-	2
Total	3,773	29,570	62,919	96,262
Expenditure on:				
Raising funds	912	541	-	1,453
Charitable activities:				
- Educational operations	1,353	35,366	2,411	39,130
Total	2,265	35,907	2,411	40,583
Net income/(expenditure)	1,508	(6,337)	60,508	55,679
Transfers between funds	(684)	341	343	-
Other recognised gains/(losses)				
Actuarial gains on defined benefit pension schemes	-	4,199	-	4,199
Net movement in funds	824	(1,797)	60,851	59,878

4 Donations and capital grants

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£000	£000	£000	£000
Capital grants	-	1,569	1,569	852
Other donations	125	1,951	2,076	778
	125	3,520	3,645	1,630

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
DfE / ESFA grants				
General annual grant (GAG)	-	37,793	37,793	29,189
Start up grants	-	140	140	75
Other DfE group grants	-	3,445	3,445	2,334
	-	41,378	41,378	31,598
Other government grants				
Local authority grants	-	2,796	2,796	1,674
Teaching School income	-	137	137	80
Other incoming resources	2,057	45	2,102	1,889
	2,057	182	2,239	1,969
	2,057	44,356	46,413	35,241

6 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Hire of facilities	333	-	333	278
Sale of goods	109	-	109	91
Other income	741	46	787	647
	1,183	46	1,229	1,016

7 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Interest from short term deposits	2	-	2	2

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

8 Expenditure

	Staff costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2018 £000	Total 2017 £000
Expenditure on raising funds					
- Direct costs	122	-	79	201	1,453
Academy's educational operations					
- Direct costs	31,393	2,338	4,545	38,276	29,568
- Allocated support costs	8,493	3,605	1,687	13,785	9,562
Teaching School					
- Direct costs	150	-	9	159	-
- Allocated support costs	48	-	36	84	-
Total support costs	40,206	5,943	6,356	52,505	40,583

Net income/(expenditure) for the year includes:

	2018 £000	2017 £000
Operating lease rentals	209	198
Depreciation of tangible fixed assets	2,527	2,058
Amortisation of intangible fixed assets	40	10
Gain on disposal of fixed assets	(233)	-
Net interest on defined benefit pension liability	239	197
- Audit	53	-
- Other services	6	-
- Audit-related assurance	3	-
- Audit	-	64
- Other services	-	44

9 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Direct costs				
Educational operations	1,198	37,078	38,276	29,568
Teaching School	-	159	159	-
Support costs				
Educational operations	1,474	12,311	13,785	9,562
Teaching School	-	84	84	-
	2,672	49,632	52,304	39,130

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

9 Charitable activities (Continued)

	Teaching school £000	Educational operations £000	Total 2018 £000	Total 2017 £000
Analysis of support costs				
Support staff costs	48	8,493	8,541	5,895
Premises costs	-	3,605	3,605	1,122
Other support costs	32	1,068	1,100	1,743
Governance costs	4	619	623	802
	<u>84</u>	<u>13,785</u>	<u>13,869</u>	<u>9,562</u>

10 Staff

Staff costs

Staff costs during the year were:

	2018 £000	2017 £000
Wages and salaries	29,583	22,385
Social security costs	2,803	2,029
Pension costs	6,551	4,823
Staff costs	<u>38,937</u>	<u>29,237</u>
Agency staff costs	530	793
Staff restructuring costs	389	137
Staff development and other staff costs	350	46
Total staff expenditure	<u>40,206</u>	<u>30,213</u>

Staff restructuring costs comprise:

Redundancy payments	179	103
Severance payments	210	30
Other restructuring costs	-	4
	<u>389</u>	<u>137</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £179,347 (2017: £30,000). Individually, the payments made (in ascending order) were: £6,991 made on 20 September 2018, £7,350 made on 3 April 2018, £15,000 made on 28 August 2018, £20,100 made on 12 March 2018, £20,262 made on 31 July 2018, £21,770 made on 31 July 2018, £23,374 made on 31 July 2018 and £30,500 made on 14 September 2018 with an amount outstanding to be paid of £34,000.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

10 Staff (Continued)

Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2018 Number	2017 Number
Teachers	576	432
Administration and support	784	602
Management	26	18
	<u>1,386</u>	<u>1,052</u>

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018 Number	2017 Number
£60,001 - £70,000	18	8
£70,001 - £80,000	2	4
£80,001 - £90,000	6	3
£90,001 - £100,000	1	2
£100,001 - £110,000	1	-
£140,001 - £150,000	1	-
	<u>1</u>	<u>-</u>

Key management personnel

The key management personnel of the Academy Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £823,225 (2017 - £770,571).

11 Directors' remuneration and expenses

One or more of the Directors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Chief Executive Officer only receives remuneration in respect of services provided in undertaking the role of Chief Executive Officer under his contract of employment, and not in respect of services as director.

The value of Directors' remuneration and other benefits was as follows:

		2018 £	2017 £
Dr Tim Coulson	Remuneration	145,000	12,083
(director from 1 August 2017)	Pension contributions	23,896	1,991
Howard Lay	Remuneration	-	38,333
(director to 31 December 2016)	Pension contributions	-	317

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

11 Directors' remuneration and expenses (Continued)

During the year ended 31 August 2018, travel and subsistence expenses totalling £2,679 (2017: £489) were reimbursed or paid directly to one director (2017: one).

12 Directors and officers insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Directors and officers indemnity element from the overall cost of the RPA scheme.

13 Central services

The Academy Trust has provided the following central services to its academies during the year:

- Executive leadership team
- Financial administration services (Hub finance support, outsourced payroll service)
- HR services (employee contract administration, wellbeing and employee relations)
- Legal and professional services
- Teaching and learning leadership support, including school improvement, and access to learning advisors, quality assurance and educational resources)
- Centralised ICT support
- Executive PA support

The Academy Trust charges for these services on the following basis:

All whole trust costs are charged to each academy on the basis of each academy's funding as a proportion of their total funding. The flat rate for the year ending 31 August 2018 was 4.5% of GAG funding.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

13 Central services (Continued)

The amounts charged during the year were as follows:

	2018 £000	2017 £000
Abbots Green Primary School	27	-
Burton End Primary Academy	65	43
Castle Manor Academy	126	93
Churchill Special Free School	67	32
Clements Primary Academy	50	16
Coupals Primary Academy	40	37
Ditton Lodge Primary School	33	5
Glemsford Primary Academy	35	25
Houldsworth Valley Primary Academy	50	27
Kedington Primary Academy	32	7
Laureate Community Academy	40	35
Newmarket Academy	131	125
Place Farm Primary Academy	65	43
Samuel Ward Academy	276	239
St Edward's Church of England Academy	110	-
Steeple Bumpstead Primary School	13	-
Sybil Andrews Academy	102	68
Thomas Gainsborough School	291	242
Wells Hall Primary School	75	11
Westfield Primary Academy	66	57
Wickhambrook Primary Academy	25	22
Woodhall Primary School	70	38
	<u>1,789</u>	<u>1,165</u>

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

14 Intangible fixed assets

	Computer software £000
Cost	
At 1 September 2017	203
Additions	38
Transfer between classes	(4)
	<hr/>
At 31 August 2018	237
	<hr/>
Amortisation	
At 1 September 2017	31
Transfer between classes	16
Charge for year	40
	<hr/>
At 31 August 2018	87
	<hr/>
Carrying amount	
At 31 August 2018	150
	<hr/>
At 31 August 2017	172
	<hr/>

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

15 Tangible fixed assets

	Freehold property	Leasehold property	Computer equipment	Fixtures, fittings, plant and machinery	Assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 September 2017	84,476	53,378	1,822	1,517	244	141,437
Transfer on conversion	-	8,925	46	6	-	8,977
Transfer from existing academy	-	17,878	6	52	-	17,936
Additions	1,260	456	143	250	702	2,811
Transfer between classes	(9,514)	9,867	8	(113)	(244)	4
At 31 August 2018	76,222	90,504	2,025	1,712	702	171,165
Depreciation						
At 1 September 2017	3,328	866	866	635	-	5,695
Charge for the year	1,025	944	317	241	-	2,527
Transfer between classes	6	17	(16)	(22)	-	(15)
At 31 August 2018	4,359	1,827	1,167	854	-	8,207
Net book value						
At 31 August 2018	71,863	88,677	858	858	702	162,958
At 31 August 2017	81,148	52,512	956	882	244	135,742

Transfer between classes relates to the reclassification of Burton End Primary Academy and Wells Hall Primary School from freehold to leasehold to correct the classification on conversion and the transfer of assets under construction to leasehold property upon completion of construction.

A Directors' valuation has been performed based on the depreciated replacement cost of similar sites, in order to reflect the transfer in of the St Edward's Church of England Academy in the year. Further details are included in note 2.

16 Stocks

	2018 £000	2017 £000
Goods for resale	79	120

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

17 Debtors	2018	2017
	£000	£000
Trade debtors	301	176
Other debtors	840	851
Prepayments and accrued income	3,083	1,522
	<u>4,224</u>	<u>2,549</u>

18 Creditors: amounts falling due within one year	2018	2017
	£000	£000
Trade creditors	1,608	1,487
Other taxation and social security	722	600
ESFA creditors - abatement of GAG	452	137
Other creditors	1,179	750
Accruals and deferred income (see note 20)	1,850	1,254
	<u>5,811</u>	<u>4,228</u>

Included within other creditors are loans totalling £47,170 (2017: £25,000) from ESFA in relation to Salix loans. No interest is charged on these loans, and they are unsecured.

19 Creditors: amounts falling due after more than one year	2018	2017
	£000	£000
Other creditors	220	186
	<u>220</u>	<u>186</u>
Loan maturity		
Debt due in one year or less	47	25
Due in more than one year but not more than two years	47	28
Due in more than two years but not more than five years	129	69
Due in more than five years	44	37
	<u>267</u>	<u>159</u>

Included within other creditors are loans totalling £219,755 (2017: £134,000) from ESFA in relation to Salix loans. No interest is charged on these loans and they are unsecured.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

20	Deferred income	2018	2017
		£000	£000
	Deferred income is included within:		
	Creditors due within one year	897	821
		<u> </u>	<u> </u>
	Deferred income at 1 September 2017	821	197
	Released from previous years	(821)	(197)
	Resources deferred in the year	897	821
		<u> </u>	<u> </u>
	Deferred income at 31 August 2018	897	821
		<u> </u>	<u> </u>
21	Financial instruments		
		2018	2017
		£000	£000
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	3,291	1,589
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	3,508	3,008
		<u> </u>	<u> </u>

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

22 Funds

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	(5,001)	37,793	(38,762)	2,613	(3,357)
Start up grants	-	140	(253)	140	27
Other DfE / ESFA grants	1,155	3,445	(3,281)	(1,080)	239
Other government grants	1,174	2,796	(2,652)	(1,139)	179
Teaching School	80	137	(243)	-	(26)
Other restricted funds	-	211	(227)	88	72
Pension reserve	(7,577)	(2,808)	(1,781)	2,797	(9,369)
	<u>(10,169)</u>	<u>41,714</u>	<u>(47,199)</u>	<u>3,419</u>	<u>(12,235)</u>
Restricted fixed asset funds					
Transfer on conversion	135,505	26,913	(1,807)	2,247	162,858
DfE group capital grants	-	1,569	-	(1,569)	-
Capital expenditure from GAG	205	-	(782)	827	250
Unspent capital grants	-	-	-	2,117	2,117
Overspent capital grants	-	-	-	(27)	(27)
Salix loans	-	-	-	(267)	(267)
Other capital income	-	2,064	-	(2,064)	-
	<u>135,710</u>	<u>30,546</u>	<u>(2,589)</u>	<u>1,264</u>	<u>164,931</u>
Total restricted funds	<u>125,541</u>	<u>72,260</u>	<u>(49,788)</u>	<u>4,683</u>	<u>152,696</u>
Unrestricted funds					
General funds	<u>2,606</u>	<u>3,857</u>	<u>(2,865)</u>	<u>(1,886)</u>	<u>1,712</u>
Total funds	<u>128,147</u>	<u>76,117</u>	<u>(52,653)</u>	<u>2,797</u>	<u>154,408</u>

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

22 Funds (Continued)

The specific purposes for which the funds are to be applied are as follows:

General Annual Grant (GAG)

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2018.

Start up grants

Start up grants relates to income received to cover the start up costs of schools on converting to an Academy.

Other DfE/ESFA grants

Other DfE/ESFA grants include:

- Pupil Premium must be used to support the cost of raising the attainment of disadvantaged pupils.
- Universal infant free school meals funding must be used to provide free school meals to infant school pupils.

Other government grants

Other government grants include:

- SEN funding which represents grants received in order to provide additional teaching resources for children with special learning needs. The cost of these teaching resources has been set against the income.
- Early years funding received for 3 and 4 year olds.
- Other lower level grants and donations received for a particular purpose. Any relevant costs have been offset against this income.

Teaching School

Teaching school grant is received from the ESFA and National College as part of the teaching school status.

Other restricted funds

Other restricted funds represent lower level grants and donations received for a particular purpose. Any relevant costs have been offset against this income.

Pension reserve

The Pension reserve represents the Academy Trust's net liability in respect of the Local Government Pension Scheme.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

22 Funds (Continued)

Restricted fixed asset funds

Restricted fixed asset funds include:

- *Transfer on conversion* relates to the assets transferred from predecessor schools upon joining the Academy Trust. Income relates to the value of assets transferred on schools joining the Trust where the net transfer was recognised as a net gain in the statement of financial activities. Expenditure relates to depreciation in respect of these assets.
- DfE group capital grants relates to capital grants received during the year including devolved formula capital grants, schools condition allowance and healthy pupils capital fund.
- Capital expenditure from GAG includes fixed assets purchased by schools within the Academy Trust following conversion. Expenditure relates to depreciation charged on these assets.
- Unspent capital grants relates to capital grants received which have not been spent at the year end.
- The small deficit on the restricted capital funds account will be cleared during the 18/19 financial year.
- Salix loans represent the amounts owed in respect of loans taken out to fund the purchase of assets.
- Other capital income relates to capital donations and income from other sources.

Unrestricted funds

These funds relate to unrestricted income to be used to support the Academy Trust's objectives and educational activities.

Transfers

Transfers between funds during the year relate to fixed asset purchases from unrestricted income and GAG funding.

A detailed review of the composition of funds has been undertaken during the year which has resulted in transfers between funds to correct the allocation of fund balances at the year end.

As part of this detailed review, a further transfer is required to reflect an overspend of capital funding in previous years between restricted fixed asset funds and unrestricted funds.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

22 Funds (Continued)

Funds prior year

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	(3,220)	29,189	(31,330)	360	(5,001)
Start up grants	228	75	(388)	85	-
Other DfE / ESFA grants	1,051	2,334	(2,230)	-	1,155
Other government grants	234	1,674	(734)	-	1,174
Teaching School	-	80	-	-	80
Other restricted funds	-	268	(164)	(104)	-
Pension reserve	(6,665)	(4,050)	(1,061)	4,199	(7,577)
	<u>(8,372)</u>	<u>29,570</u>	<u>(35,907)</u>	<u>4,540</u>	<u>(10,169)</u>
Restricted fixed asset funds					
Transfer on conversion	51,811	61,412	-	(113,223)	-
DfE group capital grants	6,601	852	-	(7,453)	-
Capital expenditure from GAG	205	-	(343)	343	205
Other capital income	16,242	655	(2,068)	120,676	135,505
	<u>74,859</u>	<u>62,919</u>	<u>(2,411)</u>	<u>343</u>	<u>135,710</u>
Total restricted funds	<u>66,487</u>	<u>92,489</u>	<u>(38,318)</u>	<u>4,883</u>	<u>125,541</u>
Unrestricted funds					
General funds	<u>1,782</u>	<u>3,773</u>	<u>(2,265)</u>	<u>(684)</u>	<u>2,606</u>
Total funds	<u>68,269</u>	<u>96,262</u>	<u>(40,583)</u>	<u>4,199</u>	<u>128,147</u>

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

22 Funds (Continued)

Total funds analysis by academy

	2018	2017
	£000	£000
Fund balances at 31 August 2018 were allocated as follows:		
Abbots Green Primary School	(71)	-
Burton End Primary Academy	379	319
Castle Manor Academy	(425)	(171)
Churchill Special Free School	576	465
Clements Primary Academy	202	130
Coupals Primary Academy	328	253
Ditton Lodge Primary School	68	88
Glemsford Primary Academy	(102)	(122)
Houldsworth Valley Primary Academy	289	258
Kedington Primary Academy	(26)	61
Laureate Community Academy	182	296
Newmarket Academy	(1,267)	(567)
Place Farm Primary Academy	343	229
Samuel Ward Academy	(2,439)	(1,558)
St Edward's Church of England Academy	485	-
Steeple Bumpstead Primary School	14	-
Sybil Andrews Academy	25	1
Thomas Gainsborough School	(19)	159
Wells Hall Primary School	201	146
Westfield Primary Academy	544	299
Wickhambrook Primary Academy	(33)	163
Woodhall Primary School	177	95
Central services	(585)	(530)
Total before fixed assets fund and pension reserve	(1,154)	14
Restricted fixed asset fund	164,931	135,710
Pension reserve	(9,369)	(7,577)
Total funds	<u>154,408</u>	<u>128,147</u>

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

22 Funds (Continued)

The following academies are carrying a net deficit on funds:

	Amount of Deficit £000
Abbots Green Academy	(71)
Castle Manor Academy	(425)
Glemsford Primary Academy	(102)
Kedington Primary Academy	(26)
Newmarket Academy	(1,267)
Samuel Ward Academy	(2,439)
Thomas Gainsborough School	(19)
Wickhambrook Primary Academy	(33)
Central Services	(585)

The above named academies have taken action to reduce their deficit funds by reducing expenditure. In all cases this has resulted in a restructure of the teaching and support staff realising a reduction in costs in year and for future years.

Furthermore, the Trust, as a whole is looking at income generating activities and funding opportunities to help reduce the overall deficit. The trust is also looking to remove costs from the central services overheads by implementing an in-house payroll and contracts management service and developing its procurement activities.

The Trust recognises that the position has worsened in the last 12 months, this is the result of corrections to the allocation of capital expenditure in previous years and recognition of a large PNA clawback of £452k that had not been previously accounted for. The overall in year position without these adjustments would have been considerably better and provided an overall surplus of approximately £110k.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

22 Funds (Continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2018	Total 2017
	£000	£000	£000	£000	£000	£000
Abbots Green Primary School	539	122	10	126	797	-
Burton End Primary Academy	1,109	198	37	234	1,578	1,267
Castle Manor Academy	2,105	577	162	461	3,305	2,868
Churchill Special Free School	1,087	109	35	168	1,399	1,287
Clements Primary Academy	854	122	37	242	1,255	408
Coupals Primary Academy	704	111	31	175	1,021	1,072
Ditton Lodge Primary School	684	100	35	138	957	147
Glemsford Primary Academy	667	90	26	200	983	957
Houldsworth Valley Primary Academy	863	133	49	199	1,244	901
Kedington Primary Academy	545	89	35	156	825	213
Laureate Community Academy	916	94	34	177	1,221	1,130
Newmarket Academy	2,358	585	139	625	3,707	3,865
Place Farm Primary Academy	1,092	204	59	254	1,609	1,211
Samuel Ward Academy	4,628	1,024	451	814	6,917	7,219
St Edward's Church of England Academy	1,656	544	172	(209)	2,163	-
Steeple Bumpstead Primary School	223	51	10	34	318	-
Sybil Andrews Academy	1,529	308	178	474	2,489	1,858
Thomas Gainsborough School	5,060	987	505	852	7,404	7,232
Wells Hall Primary School	1,284	264	88	212	1,848	287
Westfield Primary Academy	1,161	155	32	257	1,605	1,733
Wickhambrook Primary Academy	493	46	27	137	703	661
Woodhall Primary School	1,245	208	42	263	1,758	1,178
Central services	2,478	802	111	3,102	6,493	3,023
	<u>33,280</u>	<u>6,923</u>	<u>2,305</u>	<u>9,091</u>	<u>51,599</u>	<u>38,517</u>

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

23 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Fund balances at 31 August 2018 are represented by:				
Intangible fixed assets	-	-	150	150
Tangible fixed assets	-	-	162,958	162,958
Current assets	2,135	2,448	2,117	6,700
Creditors falling due within one year	(423)	(5,314)	(74)	(5,811)
Creditors falling due after one year	-	-	(220)	(220)
Defined benefit pension liability	-	(9,369)	-	(9,369)
Total net assets	1,712	(12,235)	164,931	154,408
	Unrestricted Funds	Restricted funds:		Total Funds
	£000	General £000	Fixed asset £000	£000
Fund balances at 31 August 2017 are represented by:				
Intangible fixed assets	-	-	172	172
Tangible fixed assets	-	-	135,742	135,742
Current assets	2,606	972	646	4,224
Creditors falling due within one year	-	(3,564)	(664)	(4,228)
Creditors falling due after one year	-	-	(186)	(186)
Defined benefit pension liability	-	(7,577)	-	(7,577)
Total net assets	2,606	(10,169)	135,710	128,147

24 Capital commitments

The Academy Trust had capital commitments relating to school improvement works of £1,350,000 (2017: £Nil) at 31 August 2018.

25 Commitments under operating leases

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £000	2017 £000
Amounts due within one year	344	179
Amounts due between one and five years	589	238
	933	417

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

26 Reconciliation of net income to net cash flow from operating activities

	2018	2017
	£000	£000
Net income for the reporting period (as per the Statement of Financial Activities)	23,464	55,679
Adjusted for:		
Net surplus on conversion to academy	(8,084)	(40,248)
Net gain on transfer of existing academy	(16,363)	(18,125)
Capital grants from DfE/ESFA and other capital income	(3,400)	(1,507)
Interest receivable	(2)	(2)
Defined benefit pension scheme cost less contributions payable	1,412	864
Defined benefit pension scheme finance cost	239	197
Depreciation of tangible fixed assets	2,527	2,058
Amortisation of intangible fixed assets	40	10
Profit on sale of bungalow	(233)	-
Movements in working capital:		
Decrease/(increase) in stocks	41	(38)
(Increase) in debtors	(1,675)	(361)
Increase in creditors	1,143	1,714
Stocks, debtors and creditors transferred on conversion	(43)	(348)
Net cash used in operating activities	(934)	(107)

27 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

28 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and of the LGPS 31 March 2016.

Contributions amounting to £683,215 were payable to the schemes at 31 August 2018 (2017: £555,633) and are included within creditors.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

28 Pension and similar obligations (Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published in June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.48% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £3,230,361 (2017: £2,414,084).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are listed below for employers and 5.5% to 12.5% for employees.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

28 Pension and similar obligations (Continued)

	2018
	%
Suffolk County Council	23.8
Cambridgeshire County Council	22.5
London Borough of Havering	24.46
Essex County Council	21.9

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

	2018	2017
	£000	£000
The deficit for the year is allocated:		
Suffolk County Council	6,906	7,376
Cambridgeshire County Council	309	201
London Borough of Havering	1,761	-
Essex County Council	393	-
	<u>9,369</u>	<u>7,577</u>
	<u>9,369</u>	<u>7,577</u>
Total contributions made	2018	2017
	£000	£000
Employer's contributions	1,794	1,424
Employees' contributions	483	369
	<u>2,277</u>	<u>1,793</u>
Total contributions	<u>2,277</u>	<u>1,793</u>

Local Government Pension Scheme - Suffolk County Council

During the year Abbots Green Primary School transferred into the academy trust. The obligation in respect of employees who transferred with Abbots Green Primary School to the academy trust representing their cumulative service to the predecessor employer was recognised in the statement of financial activities as part of the loss on transfer as set out in note 31.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

28 Pension and similar obligations (Continued)

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2018 by a qualified independent actuary.

	2018 %	2017 %
Rate of increase in salaries	2.7	2.7
Rate of increase for pensions in payment/inflation	2.4	2.4
Discount rate for scheme liabilities	2.8	2.5

The assumed life expectations on retirement age 65 are:

	2018 Years	2017 Years
Retiring today		
- Males	21.9	21.9
- Females	24.4	24.4
Retiring in 20 years		
- Males	23.9	23.9
- Females	26.4	26.4

The Academy Trust's share of the assets in the scheme

	2018 Fair value £000	2017 Fair value £000
Equities	11,119	9,941
Bonds	4,842	3,070
Property	1,794	1,462
Other assets	179	146
Total fair value of assets	17,934	14,619

The actual return on scheme assets was £799,000 (2017: £1,649,000).

Amount recognised in the Statement of Financial Activities

	2018 £000	2017 £000
Current service cost	3,036	2,288
Net interest cost	204	197
Total operating charge	3,240	2,485

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

28 Pension and similar obligations (Continued)

Changes in the present value of defined benefit obligations	2018 £000	2017 £000
At 1 September 2017	21,995	13,525
Obligations acquired on conversion	819	-
Current service cost	3,036	2,288
Interest cost	599	416
Employee contributions	443	369
Actuarial gain	(1,905)	(2,769)
Benefits paid	(147)	(126)
Effect of non-routine settlements and administration expenses	-	8,292
	<u>24,840</u>	<u>21,995</u>

Changes in the fair value of the Academy Trust's share of scheme assets	2018 £000	2017 £000
At 1 September 2017	14,619	6,860
Assets acquired on conversion	476	-
Interest income	395	219
Return on plan assets (excluding net interest on the net defined pension liability)	404	1,430
Employer contributions	1,744	1,424
Employee contributions	443	369
Benefits paid	(147)	(126)
Effect of non-routine settlements	-	4,443
	<u>17,934</u>	<u>14,619</u>

Local Government Pension Scheme - Cambridgeshire County Council

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2018 by a qualified independent actuary.

	2018 %	2017 %
Rate of increase in salaries	2.6	2.4
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	2.8	2.5

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

28 Pension and similar obligations (Continued)

The assumed life expectations on retirement age 65 are:

	2018	2017
	Years	Years
Retiring today		
- Males	22.4	22.4
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.3	26.3
	<u> </u>	<u> </u>

The Academy Trust's share of the assets in the scheme

	2018	2017
	Fair value	Fair value
	£000	£000
Equities	213	139
Bonds	30	24
Property	19	13
Other assets	7	5
	<u> </u>	<u> </u>
Total fair value of assets	269	181
	<u> </u>	<u> </u>

The actual return on scheme assets was £17,000 (2017: £6,000).

Amount recognised in the Statement of Financial Activities

	2018	2017
	£000	£000
Current service cost	103	16
Net interest cost	9	2
	<u> </u>	<u> </u>
Total operating charge	112	18
	<u> </u>	<u> </u>

Changes in the present value of defined benefit obligations

	2018	2017
	£000	£000
At 1 September 2017	364	-
Obligations acquired on conversion	148	364
Current service cost	103	-
Interest cost	14	-
Employee contributions	14	-
Actuarial gain	(65)	-
	<u> </u>	<u> </u>
At 31 August 2018	578	364
	<u> </u>	<u> </u>

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

28 Pension and similar obligations (Continued)

Changes in the fair value of the Academy Trust's share of scheme assets

	2018	2017
	£000	£000
At 1 September 2017	163	-
Assets acquired on conversion	18	163
Interest income	5	-
Return on plan assets (excluding net interest on the net defined pension liability)	12	-
Employer contributions	57	-
Employee contributions	14	-
	<u>269</u>	<u>163</u>
At 31 August 2018	<u>269</u>	<u>163</u>

Local Government Pension Scheme - London Borough of Havering

During the year St Edward's Church of England Academy transferred into the academy trust. The obligation in respect of employees who transferred with St Edward's Church of England Academy to the academy trust representing their cumulative service to the predecessor employer was recognised in the statement of financial activities as part of the loss on transfer as set out in note 31.

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2018 by a qualified independent actuary.

	2018
	%
Rate of increase in salaries	2.7
Rate of increase for pensions in payment/inflation	2.4
Discount rate for scheme liabilities	2.8
	<u>2.8</u>

The assumed life expectations on retirement age 65 are:

	2018
	Years
Retiring today	
- Males	22.0
- Females	24.2
Retiring in 20 years	
- Males	23.9
- Females	26.3
	<u>26.3</u>

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

28 Pension and similar obligations (Continued)

The Academy Trust's share of the assets in the scheme	2018 Fair value £000
Equities	2,023
Bonds	1,089
Property	311
Other assets	467
Total fair value of assets	3,890

The actual return on scheme assets was £170,000.

Amount recognised in the Statement of Financial Activities	2018 £000
Current service cost	142
Net interest cost	21
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	(108)
Total operating charge	55

Changes in the present value of defined benefit obligations	2018 £000
Transferred in on existing academies joining the Academy Trust	5,709
Current service cost	142
Interest cost	60
Employee contributions	22
Actuarial gain	(128)
Benefits paid	(46)
Past service cost	(108)
At 31 August 2018	5,651

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

28 Pension and similar obligations (Continued)

Changes in the fair value of the Academy Trust's share of scheme assets

	2018 £000
Transferred in on existing academies joining the Academy Trust	3,658
Interest income	39
Return on plan assets (excluding net interest on the net defined pension liability)	241
Employer contributions	(24)
Employee contributions	22
Benefits paid	(46)
At 31 August 2018	<u>3,890</u>

Local Government Pension Scheme - Essex County Council

During the year Steeple Bumpstead Primary School transferred into the academy trust. The obligation in respect of employees who transferred with Steeple Bumpstead Primary School to the academy trust representing their cumulative service to the predecessor employer was recognised in the statement of financial activities as part of the loss on transfer as set out in note 31.

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2018 by a qualified independent actuary.

	2018 %
Rate of increase in salaries	3.8
Rate of increase for pensions in payment/inflation	2.3
Discount rate for scheme liabilities	<u>2.65</u>

The assumed life expectations on retirement age 65 are:

	2018 Years
Retiring today	
- Males	22.3
- Females	24.8
Retiring in 20 years	
- Males	24.5
- Females	<u>27.1</u>

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

28 Pension and similar obligations (Continued)

The Academy Trust's share of the assets in the scheme	2018 Fair value £000
Equities	224
Bonds	19
Gilts	21
Property	31
Other assets	56
Total fair value of assets	351

The actual return on scheme assets was £20,000.

Amount recognised in the Statement of Financial Activities	2018 £000
Current service cost	33
Net interest cost	5
Total operating charge	38

Changes in the present value of defined benefit obligations	2018 £000
Obligations acquired on conversion	724
Current service cost	33
Interest cost	8
Employee contributions	4
Actuarial gain	(25)
At 31 August 2018	744

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

28 Pension and similar obligations (Continued)

Changes in the fair value of the Academy Trust's share of scheme assets

	2018 £000
Assets acquired on conversion	310
Interest income	3
Return on plan assets (excluding net interest on the net defined pension liability)	17
Employer contributions	17
Employee contributions	4
	<hr/>
At 31 August 2018	351 <hr/>

29 Related party transactions

All transactions involving related parties or connected parties are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures, except unless otherwise stated.

During the year the Academy Trust entered into the following transactions with a company in which a trustee has a majority interest:

Bury St. Edmunds Theatre Management Limited: an entity in which R Quince acts as Chairman. During the year there were transactions totalling £3,368 (2017: £4,488). There was a creditor outstanding of £347 (2017: £150). The trust made the purchase at cost in accordance with its financial regulations, which Mr Quince neither participated in, nor influenced. In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

Paul Reed: a company in which P Reed has a majority interest. During the year there were transactions totalling £nil (2017: £150). There was a creditor of £nil outstanding at the year end (2017: £150). The trust made the purchase at cost in accordance with its financial regulations, which Mr Reed neither participated in, nor influenced. In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

No additional related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

30 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018, the Trust received £47,908 (2017: £56,042) and disbursed £28,370 (2017: £14,273) from the fund. An amount of £119,301 (2017: £99,763) is included in other creditors relating to undistributed funds that is repayable to ESFA.

As at 31 August 2018, the Academy Trust was showing £25,508 (2017: £39,114) in other creditors as a one-off amount from Combined Cadet Force Association. These funds are being held on behalf of the cadets and will be drawn down by the cadets upon application to the trust. During the year ending 31 August 2018, the trust disbursed £13,606 from the fund.

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

31 Transfer from local authority on conversion

On 1 April 2018 Abbots Green Primary School and Steeple Bumpstead Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Unity Schools Partnership (formerly Samuel Ward Academy Trust) from the Suffolk and Essex Local Authorities respectively for £nil consideration.

The transfers have been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

During the year donations initially recognised on two schools converted in previous years have been adjusted, further details are included below. The additional liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a loss in the statement of financial activities as expenditure on charitable activities - transfer from local authority on conversion.

The following tables set out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	2018
Schools transferred on conversion:	£000
Leasehold land and buildings	8,925
Other tangible fixed assets	52
Cash	12
LGPS pension deficit	(757)
	<u>8,232</u>
Adjustments in respect of prior years:	
LGPS pension deficit	(130)
Other creditors	(18)
	<u>(148)</u>
Total net assets transferred:	<u><u>8,084</u></u>

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

31 Transfer from local authority on conversion (Continued)

Abbots Green Primary School

	2018
Net assets transferred:	£000
Leasehold land and buildings	5,400
Other tangible fixed assets	41
LGPS pension deficit	(343)
	<u>5,098</u>

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2018 £000
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	5,441	5,441
LGPS pension funds	-	(343)	-	(343)
	<u>-</u>	<u>(343)</u>	<u>5,441</u>	<u>5,098</u>

Steeple Bumpstead Primary School

	2018
Net assets transferred:	£000
Leasehold land and buildings	3,525
Other tangible fixed assets	11
Cash	12
LGPS pension deficit	(414)
	<u>3,134</u>

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2018 £000
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	3,536	3,536
LA budget funds	12	-	-	12
LGPS pension funds	-	(414)	-	(414)
	<u>12</u>	<u>(414)</u>	<u>3,536</u>	<u>3,134</u>

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

31 Transfer from local authority on conversion (Continued)

Transfer reflected within expenditure

During the year there has been an adjustment to a Suffolk County Council SOR (School Organisation Review) loan previously recognised relating to a loan which was understated on Thomas Gainsborough School's conversion to an academy. This adjustment of £18,108 has been recognised in the balance sheet under other creditors with a corresponding amount recognised as a net loss in the Statement of Financial Activities as charitable activities – transfer from local authority on conversion.

An additional amount of £130,000 has been recognised in relation to the LGPS pension deficit transferred on the conversion of Ditton Lodge Primary School. The increase is due to a difference between the initial asset allocation which is prepared in accordance with the Fund's Funding Strategy Statement and the subsequent valuation under FRS 102 which has now been reflected.

32 Transfer of existing academies into the academy trust

On 1 April 2018 the St Edward's Church of England Academy transferred from St Edward's Church of England School and Sixth Form College and all the operations and assets and liabilities were transferred to Unity Schools Partnership (formerly Samuel Ward Academy Trust) for £nil consideration. From that date St Edward's Church of England School and Sixth Form College (registered number 07709271) ceased to operate.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer of existing academy into the trust.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	2018 £000
Net assets transferred:	
Leasehold land and buildings	17,878
Other tangible fixed assets	58
Cash	504
Borrowing obligations	(30)
LGPS pension deficit	(2,051)
Debtors	4
	<hr/>
	16,363
	<hr/>

UNITY SCHOOLS PARTNERSHIP (FORMERLY SAMUEL WARD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

32 Transfer of existing academies into the academy trust (Continued)

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2018 £000
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	17,936	17,936
LA budget funds	478	-	-	478
LGPS pension funds	-	(2,051)	-	(2,051)
	<u>478</u>	<u>(2,051)</u>	<u>17,936</u>	<u>16,363</u>

	2018 £000	2017 £000	£000
33 Teaching School trading account			
Direct income			
External funding		137	80
Direct costs			
Direct staff costs	139	-	-
Staff development	11	-	-
Other direct costs	1	-	-
Educational supplies and services	2	-	-
Educational consultancy	6	-	-
	<u>159</u>		
Other costs			
Support staff costs	48	-	-
Other support costs	32	-	-
Share of governance costs	4	-	-
	<u>84</u>		
Total expenditure		(243)	-
Surplus/(deficit) from all sources		(106)	80
Teaching School balances at 1 September 2017		80	-
Teaching School balances at 31 August 2018		<u>(26)</u>	<u>80</u>